## IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS CENTRAL DIVISION

AFFIDAVIT OF STUART JEFFRIES IN SUPPORT OF OPPOSITION OF PLAINTIFFS HEWLETT-PACKARD COMPANY AND HEWLETT-PACKARD DEVELOPMENT COMPANY, L.P. TO DEFENDANT ICL NETWORK SOLUTIONS (HK) LIMITED'S MOTION TO DISMISS FOR LACK OF PERSONAL JURISDICTION

- I, Stuart Jeffries, hereby depose and state as follows:
- 1. I am Vice President of Purchasing and Operations at Arbitech, LLC. I make this statement in support of the Opposition of Plaintiffs Hewlett-Packard Company and Hewlett-Packard Development Company, L.P. (collectively, "Hewlett-Packard") to Defendant ICL Network Solutions (HK) LTD's Motion to Dismiss for Lack of Personal Jurisdiction. Except as otherwise indicated in this declaration, the facts stated herein are known to me of my own personal knowledge and if called upon to do so, I could and would testify thereto.
- 2. Arbitech, LLC ("Arbitech) is a California company with its place of business at 920 Glenneyre Street, Laguna Beach, California 92651. Arbitech is an independent distributor of computer products, including Hewlett-Packard products.
- 3. In my capacity as the Vice President of Purchasing and Operations at Arbitech, I have had past dealings with ICL Network Solutions (HK), Ltd and Integrated Compusystems (HK), Ltd. Arbitech has previously purchased computer products from Integrated Compusystems (HK), Ltd. On a May 28, 2004, I received an email from Christine Malong of Integrated Compusystems (HK), Ltd. That email stated that Integrated Compusystems (HK), Ltd. had changed its name to ICL Network Solutions (HK), Ltd ("ICL") effective June 1, 2004. A true and correct copy of the May 28, 2004 email is attached hereto as Exhibit A.
- 4. On August 11, 2005, I received from Don Mabalot of ICL an unsolicited email with the subject line "Products from ICL Network Solutions (HK) Ltd." That August 11, 2005 email triggered several email exchanges between Mr. Mabalot and me. A true and correct copy of the email trail containing Mr. Mabalot's August 11, 2005 email to me and our subsequent email exchanges is attached hereto as Exhibit B.
- 5. As reflected in the emails set out in Exhibit B, Mr. Mabalot noted in his August 11, 2005 email that Arbitech had not ordered products from ICL for some time, and asked whether my company would be interested in purchasing HP Part No. 286778-B22 at \$330/unit and HP Part No. 286776-B22 at \$200/unit. In my response to Mr. Mabalot's email, I noted that in light

of ICL's "past performance and the proliferation of counterfeit product in the marketplace," I would have to insist that the terms of purchase be "TT upon receipt of product," meaning that Arbitech would wire the payment to ICL only upon receipt and inspection of the product from ICL. Mr. Mabalot noted in his August 12, 2005 response that he would have to discuss my request for TT upon receipt of the products with the "owner's [sic] of ICLNS." In an August 15, 2005 email, Mr. Mabalot informed me although ICL could not agree to my terms of purchase, ICL could send to me 5 samples of each of HP Part No. 286778-B22 and HP Part No. 286776-B22, or, I could inspect the hard drives, as "the products are already in the US." By emails dated August 16 and 17, 2005, I requested Mr. Mabalot to ship the samples to Arbitech's office in Laguna Beach, California. In an email dated August 17, 2005, Mr. Mabalot confirmed ICL's shipment of the samples and noted that ICL had "180 units of 286776-b22 and 175 units of 286778-B22 in MA."

- On August 19, 2005, I received via Federal Express 5 samples of each of HP Part 6. No. 286778-B22 and HP Part No. 286776-B22. Upon inspection of the 10 samples, I suspected that they were not genuine Hewlett-Packard goods, and I therefore decided not to purchase the additional units of HP Part No. 286778-B22 and HP Part No. 286776-B22 that Mr. Mabalot offered to me for sale.
- Throughout my dealings in August 2005 with Mr. Mabalot concerning HP Part No. 7. 286778-B22 and HP Part No. 286776-B22, Mr. Mabalot never stated or implied that the hard drives he was offering to sell to Arbitech were owned by any party other than ICL; he never mentioned to me that the drives were owned by or in the possession of a company called C2C Technology. My understanding throughout my dealings with Mr. Mabalot during August 2005 was that he was attempting to sell to me those hard drives on behalf of ICL.

Signed under the pains and penalties of perjury that the foregoing is true and correct this th day of October, 2005.

STUART JEFFRIES

## REDACTED

From: Christine Malong [mailto:christine@integratedcompusys.com]

**Sent:** Friday, May 28, 2004 5:20 AM

To: Stuart Jeffries

**Subject:** Please take note

Dear Stuart,

We are pleased to inform you that effective JUNE 01, 2004, our company name is ICL NETWORK SOLUTIONS (HK), LTD. from INTEGRATED COMPUSYSTEMS (HK), LTD.

Please take note of our new contact details, as follows:

Company Name

ICL Network Solutions (HK), Ltd.

Telephone Number

+852 2851 2272

Fax Number

+852 2545 0550

Address

1601-03 Kinwick Center, 32 Hollywood Road, Central, Hongkong

ALL PAYMENTS, beginning June 01 shall be made to the following account:

Beneficiary

ICL Network Solutions (HK), Limited

Account Number

015-514-25-11290-5

Name of Bank THE BANK OF EAST ASIA, LIMITED

Address of Bank

10 DES VOEUX ROAD, CENTRAL, HONG KONG

Telex Swift No

MT100 / MT103

Swift Address BEASHKHH

You will expect the same, if not better service from us. Thank you for your support and we look forward to hearing from you soon.

Christine G. Malong

Business Unit Manager
United States and Europe
Networking Division
INTEGRATED COMPUSYSTEMS, Ltd (HK)
christine@integratedcompusys.com
www.integratedcompusys.com

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From: Don [don@iclns.com]

Sent: Thursday, August 18, 2005 4:38 AM

To: Stuart Jeffries

Subject: Re: Payment Terms

Hi Stuart,

Once we have the tracking number today, we will immediately forward it to you.

Thanks,

Don

---- Original Message ----

From: Stuart Jeffries

To: Don

Sent: Thursday, August 18, 2005 8:57 AM

Subject: RE: Payment Terms

Thank you – If available please forward the tracking number.

Stuart

From: Don [mailto:don@iclns.com]

Sent: Wednesday, August 17, 2005 2:20 AM

**To:** Stuart Jeffries

Subject: Re: Payment Terms

Hi Stuart,

We will ship to you the product for you to check and inspect. We have 180 units of 286776-b22 and 175 units of 286778-B22 in MA

Thanks and best regards,

Don

---- Original Message ----

From: Stuart Jeffries

lo: Dou

Sent: Wednesday, August 17, 2005 12:40 AM

Subject: RE: Payment Terms

Yes to my desk:

Arbitech

920 Glenneyre St.

Laguna Beach CA 92651

Attn: Stuart Jeffries

Shall I cut you a PO? Where in the states is the product located? NJ/NY or LA?

From: Don [mailto:don@iclns.com]
Sent: Tuesday, August 16, 2005 4:16 AM

To: Stuart Jeffries

Subject: Re: Payment Terms

Are we going to ship the products to your office in Laguna Beach, California? Please advise.

Thanks,

Don

---- Original Message -----

From: Don
To: Stuart Jeffries

Sent: Tuesday, August 16, 2005 7:08 PM

Subject: Re: Payment Terms

Hi Mr. Jeffries,

Where are we going to ship the sample? Kindly provide to me the address.

Thanks,

Don

---- Original Message -----

From: Stuart Jeffries

To: Don

Sent: Tuesday, August 16, 2005 1:02 PM

Subject: RE: Payment Terms

Provided you have a decent availability of product I can send someone to inspect the goods since they're in the USA, but depending on the geographical USA location of the product I may request a sample of 5 of each shipped to me first before I put someone on a plane.

Please let me know asap

Thanks Stuart

From: Don [mailto:don@iclns.com]
Sent: Monday, August 15, 2005 5:05 AM

To: Stuart Jeffries

Subject: Re: Payment Terms

Hi Mr. Jeffries,

I have already discussed with our President about the mode of payment that you were asking. We can not extend such payment arrangement due to liquidity reasons. Most of our funds are tied-up in the receivables. Since we are now in the process of applying for a factoring facility, we will eventually provide you a credit facility. Applying for a factoring facility would take at least 2 months.

For now, we can send you some samples for you to inspect, let say 5 units each of 286776-b22 and 286778-b22. Another probability would be for you to inspect the goods, anyway the products are already in the US. Please advise us what do think is the most acceptable arrangement.

Thank you very much and best regards,

## **Don Mabalot**

CFO and Operations Head ICL NETWORK SOLUTIONS (HK), LTD.

Ph: (852) 2851 2272 Fax no.: (852) 2545 0550 email address: don@iclns.com MSN: dondon5555@hotmail.com

JRL

---- Original Message -----

From: Don

To: Stuart Jeffries

Sent: Friday, August 12, 2005 7:39 PM

Subject: Payment Terms

Hi Mr. Jeffries,

Kindly give until Monday to discuss with owner's of ICLNS regarding about the TT upon receipt of products payment arrangement. I will definitely give you our answer by Monday.

May you have a restful weekend:-)

Thanks, Don

Thanks for contacting me – these drives are at a price point in which in can play, but due to your company's past performance and the proliferation of counterfeit product in the marketplace I have to insist that our terms be TT upon eceipt of product. Let me know if you're still interested in a relationship.

Stuart

From: Don [mailto:don@iclns.com]

Sent: Thursday, August 11, 2005 5:01 AM

**Fo:** Stuart Jeffries

**Subject:** Products from ICL Network Solutions (HK) Ltd.

Hi Mr. Jeffries,

trust that you are well and in good spirits.

You have not ordered from us for a considerable period of time already. What can we possibly do the renew our pusiness relationship? You are still considered a valued customer and we earnestly want to do more business with you. We hope that we can still be given a chance to supply products to your company. Rest assured that we will do our pest from this point on to do a better and more professional service to you and to your organization.

By the way, you might be interested to buy the following products:

286778-b22 US\$330 286776-b22 US\$200

These are ex-works **US**, leadtime - immediate delivery upon receipt of payment. Please advise us if interested. If you want you can buy a sample first. Please take note that these are ex-works US.

May you have restful weekend:-)

Thanks and best regards,

## **Don Mabalot**

CFO and Operations Head

CL NETWORK SOLUTIONS (HK), LTD.

Ph: (852) 2851 2272 Fax no.: (852) 2545 0550 email address: don@iclns.com MSN: dondon5555@hotmail.com

JRL: www.iclns.com

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